



Rural Development – Oregon
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Rural Microentrepreneur Assistance Program (RMAP)

A new program created in the 2008 Farm Bill

PLEASE NOTE!

This overview is entirely based on the Section 6022 of the 2008 Farm Bill statute *
Implementing regulations are still pending, so nothing definite can be known beyond a general outline.
Watch for implementing regulations in the Federal Register, perhaps by March 2009.

Loans to capitalize revolving microloan funds

Grants for microlenders to assist their applicants & borrowers.

RMAP's goal is to help new & existing rural microentrepreneurs by providing funds to microenterprise development organizations for microlending and technical assistance to their microloan prospects & borrowers.

Definitions

A “**rural microenterprise**” is located in a rural area (undefined) and employs 10 or less full time employees.

A “**microloan**” is a loan of \$50,000 or less. It must carry a fixed interest rate.

A “**microenterprise development organization**” is a nonprofit, tribe, or institution of higher learning.

Funds available

In FY2009, \$4 million in mandatory funding will be available.

Congress has discretion to budget up to an additional \$40 million per year.

RMAP Loans

1%, 20 year loans – with 2-year deferral of payments – to capitalize a revolving loan fund.

The microlender must establish & maintain a 5% loss reserve.

Loan proceeds are to be used for relending as fixed rate microloans (\leq \$50,000) to rural microentrepreneurs.

RMAP Grants

Grants may accompany RMAP loans – to allow the microlender to

- provide technical assistance to microloan prospects & borrowers
- pay administrative expenses of the microlender (not more than 10% of grant)

Maximum annual grant award \leq 25% of microlender's RMAP loan portfolio

Matching requirement

RMAP cannot provide more than 75% of the cost of the project..

Award criteria

Preference given to microlenders serving areas with outmigration

Preference given to microlenders serving areas racially and ethnically diverse populations.

* **Reference:** Read the entire Farm Bill statute on line at: http://www.usda.gov/documents/Bill_6124.pdf

The Rural Microentrepreneur Assistance Program is under Section 6022.